

Secretary, and General Assembly Delegate. Tamara has participated in the Armenian Camp for eight years as camper, counselor and Arts and Crafts Coordinator. In her local community, Tamara has been involved in DARE and served as an assistant for the Visalia Police Department Golf Tournament. Tamara participated with Visalians for Sober Graduation both as student representative and board member.

Mr. Speaker, it is with great pleasure that I congratulate Stacey and Michelle Lee Baker and Tamara Karakashian on their presentation. Their accomplishments and service are beneficial not only to their churches and communities, but to their own growth as mature, contributing adults. I urge my colleagues to join me in congratulating these young women, and wishing them a bright future and much continued success.

A TRIBUTE TO THE NATIONAL MUSEUM OF AMERICAN JEWISH HISTORY

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1999

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to honor the National Museum of American Jewish History in Philadelphia. Founded in 1976, the Museum presents educational programs and experiences that preserve, explore and celebrate the history of Jews in America. Telling the story of the Jewish experience in America, the National Museum of American Jewish History has connected Jews closer to their heritage and has inspired in people of all backgrounds a greater appreciation for the diversity of the American experience and the freedoms to which Americans aspire.

As Philadelphia is a melting pot for so many of the Nation's minorities, the Museum's location is ideal for illuminating ethnicity in American life. Philadelphia is the birthplace of American liberty, and the freedoms that are celebrated by the Museum can be traced back to people and events that are a part of Philadelphia history. The "Jewish Window on Independence Mall" demonstrates how one group of Americans used the opportunities of freedom to make important and diverse contributions to American life. In this way, the message of the Museum should be seen as fundamentally American as well as Jewish-American.

Mr. Speaker, the National Museum of American Jewish History has been a benefit to the Philadelphia community not only for its important educational value with respect to the history of the Jewish people, but also because it has highlighted the freedoms that are all too often overlooked in everyday life. This institution has brought to the forefront all that makes America great, the freedoms which have made it possible for Jewish-Americans—and all Americans—to succeed.

EXTENSIONS OF REMARKS

INTRODUCTION OF MEDICARE MODERNIZATION NO. 9: MEDICARE FLEXIBLE PURCHASING AUTHORITY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1999

Mr. STARK. Mr. Speaker, I am pleased today to introduce the ninth bill in my Medicare modernization series: the "Medicare Purchasing Flexibility Act of 1999."

Medicare, the cornerstone of retirement for Americans, is in need of some improvements. When it was first created in 1965, Medicare was modeled on indemnity health insurance prevalent at the time. Since then, the health and medical fields have undergone significant change; both for the better and for the worse. But Medicare has largely lagged behind these trends. The problem is that Medicare's current administrative structure doesn't encourage testing or adoption of innovative market strategies. Instead, Medicare officials have to ask Congress to approve even the smallest change in administrative function, subjecting what should be common sense business strategies to the most rigid political battles.

While Medicare has successfully provided health insurance to the elderly and disabled for nearly thirty-four years, it faces a financial shortfall due to rapid population growth. By 2035, Medicare will provide health insurance for twice as many retirees as it does today. Additional revenues will be needed in order to provide quality care for 80 million retirees.

In the past, policy makers have focused on two ways to increase Medicare revenues: raising taxes or cutting benefits. Recently, however, Dan Crippen, Director of the Congressional Budget Office, alluded to a possible third way: creating administrative efficiencies. Dr. Crippen believes that substantial savings can be achieved by making Medicare more flexible and efficient. With these changes, Medicare will be able to improve the quality of services, while shoring-up savings for the long run.

The private sector has adopted a number of cost saving mechanisms that have helped control health care inflation. Medicare should be given the same flexibility to keep up with these trends, and improve overall administrative efficiency.

This bill grants the Secretary greater flexibility to administer the Medicare program including the following five provisions:

First, expanded demonstration authority. Promotes high-quality cost-effective delivery of items and services by enabling the Secretary to test innovative purchasing and administrative programs within Medicare. The Secretary may use case management, bundled payments, selective contracting, and other tools she deems necessary to carry out demonstrations. If demonstration projects are successful, the Secretary is authorized to permanently implement programs. This section of the bill adopts language proposed by the National Academy of Social Insurance in their January, 1998 report, entitled "From a Generation Be-

hind to a Generation Ahead: Transforming Traditional Medicare."

Second, sustainable growth rate (SGR). Gives the Secretary authority to adjust payment updates based on target growth rates and to apply such adjustments by geographic areas. This antigaming initiative would enable Medicare to control unjustified program inflation by region and by service (MedPAC recommendation).

Third, outpatient payment reform. Allows the Secretary to pay the lower of hospital outpatient or ambulatory surgical center rates to ensure services in most appropriate setting.

Fourth, most favored rate. Inherent reasonableness authority granted in the BBA is expanded to allow any amount of adjustment that the Secretary finds, after appropriate research, is appropriate to eliminate overpayments. The Secretary shall have the authority to request the "most favored rate" in cases where Medicare is the volume buyer in the market and other efforts at achieving a market price are not available.

Fifth, use of appropriate settings. Allows the Secretary waive requirements which discourage or prevent treatment in a nonhospital or noninstitutional setting if she determines that an alternative setting can provide quality care and outcomes. For example, today Medicare does not cover care in a skilled nursing facility unless the patient has first had a 3-day hospital stay. Under this provision, if the Secretary finds that treatment of a particular disease or condition can be handled, with quality, in a SNF, she can waive the 3-day hospitalization requirement, thus ensuring treatment in a setting 1/2 to 1/3 less expensive.

Medicare has been extremely effective in providing health insurance for the elderly and disabled, a population the private sector has refused to cover. In fact, over 30 years, its cost inflation has been less than that in the private sector and its benefit package has been improved. This social insurance mission must be preserved—and in the face of a doubling of the population it serves, we must do more to keep Medicare efficient and effective. By implementing the modernizations included in this bill, Medicare will be able to adapt and grow in the changing health care marketplace.

PERSONAL EXPLANATION

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1999

Mr. BATEMAN. Mr. Speaker, I was regrettably absent on Monday, June 7, 1999, and consequently missed three recorded votes. The latter two were conducted under suspension of the rules. Had I been present, I would have voted as follows:

Journal Vote, vote No. 167, "yea"; H.R. 435, vote No. 168, "yea"; H.R. 1915, vote No. 169, "yea."